

Dr. Babasaheb Ambedkar Open University
Term End Exam August – 2010

Course Code : DACA-01 Roll No. _____
Subject : Basic of Cost Accounting Marks : 70
Date : 02-08-2010
Time : 11:00 to 02:00

Note : All questions carry equal marks.

Que 1: Write notes on the following. (Any Two)

1. Direct cost and Indirect cost.
2. Relevant and irrelevant cost.
3. Period wise and product wise classification of different cost.
4. Opportunity Cost.

Que 2: Explain periodic inventory system and perpetual inventory system.

OR

From the following information find out Maximum level and Minimum-level for Madhuvan Ltd.

Minimum Consumption = 200 units per week

Maximum Consumption = 800 units per week

Ordering time = 3 to 5 weeks

Economic order Quantity = 3600 units

Que 3: Explain the Rowan plan for wage incentives.

OR

What is labour turnover and what are the reasons for labour turnover.

(P.T.O)

Que 4: What is meant by over absorption of overheads and under absorption of overheads and how it can be disposed off in books of accounts?

OR

The following particulars relate to a new machine purchased by Ajit Ltd.

	Rs.
Purchase price of the machine	4,00,000
Installation expenses	1,00,000
Rent per quarter	15000
General lighting for the total area	1000 per month
Foreman's salary	30,000 per annum
Insurance premium for the machine	3000 per annum
Estimated consumable stores	4000 per annum
Power -2 units per hour at Rs. 50 per 100 units.	

The estimated life of the machine is 10 years and the estimated value at the end of the 10th year is Rs. 1 lakh. The machine is expected to run 20,000 hours in its life time. The machine occupies 25% of the total area. The foreman devotes 1/6 of his time for the machine.

Calculate the machine hour rate for the machine.

Que 5 : Write short Note : (Any two)

1. Basis of allocations for overheads
2. Controllable cost
3. Taylors Differential Piece Rate System.
4. Concept of EOQ.